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ABSTRACT

Acts 320 and 321, SLH 1986, temporarily granted broadened administrative flexibility to Hawaii's two educational agencies--the Department of Education (DOE) and the University of Hawaii (UH). Under these two acts, the Office of the Legislative Auditor was directed to assess and evaluate the impact of the flexibility legislation--especially its impact on the quality of education rendered by the two agencies--and report back to the legislature, particularly with regard to whether the legislation should be kept in effect or allowed to expire on June 30, 1989, as provided for in the two acts. This report is divided into four chapters. Chapter 1 consists of an introduction and some background information, including a summary of the findings and recommendations contained in the two preceding interim reports. Chapter 2 discusses the executive and educational agency perspectives on administrative flexibility. Chapter 3 is the central chapter and provides an update on the actual implementation of Acts 320 and 321, SLH 1986, within each of the two educational agencies. This is followed by a review in chapter 4 of educational assessment activities in the UH and DOE. Recommendations to the 1989 Legislature are made regarding extension or nonextension of the legislation beyond the June 30, 1989, expiration date. (18 references) (SI)

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# EVALUATION OF THE ADMINISTRATIVE FLEXIBILITY LEGISLATION AFFECTING THE DEPARTMENT OF EDUCATION AND THE UNIVERSITY OF HAWAII ACTS 320 AND 321, SLH 1986 FINAL REPORT

**A Report to the Governor and the Legislature of the State of Hawaii**

**Submitted by the**

**Legislative Auditor of the State of Hawaii**
**Honolulu, Hawaii**

**Report No. 89-18**
**February 1989**

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## FOREWORD

During its 1986 session, the Legislature passed legislation which on a three-year trial basis gave the University of Hawaii and the Department of Education broader autonomy with respect to certain aspects of their budget execution (Act 320) and fiscal operations (Act 321).

As part of the legislation, the Office of the Legislative Auditor was directed to assess and evaluate the effect of the increased administrative flexibility, especially with regard to its impact on the quality of education delivered by the two educational agencies, and to report thereon to the 1987, 1988, and 1989 sessions of the Legislature. This third and final report contains recommendations to the 1989 Legislature regarding extension or nonextension of the legislation beyond the expiration date of June 30, 1989.

We wish to express our appreciation for the cooperation and assistance extended to us by officials and staff of the University of Hawaii, the Department of Education, the Department of Budget and Finance, and the Department of Accounting and General Services during the conduct of this project from 1986 to 1989.

Newton Sue
Acting Legislative Auditor
State of Hawaii

February 1989

## TABLE OF CONTENTS


| *Chapter* | | *Page* |
|---|---|---|
| 1 | INTRODUCTION AND BACKGROUND | 1 |
| | Objectives of the Evaluation | 1 |
| | Scope of the Evaluation | 1 |
| | Organization of the Report | 2 |
| | Background | 2 |
| 2 | DIFFERENT PERSPECTIVES ON ADMINISTRATIVE FLEXIBILITY | 5 |
| | The Executive Perspective | 5 |
| | The Educational Agencies' Prespective | 7 |
| | Significance of Diversity of Perspectives | 9 |
| 3 | UPDATE ON THE IMPLEMENTATION OF THE ADMINISTRATIVE FLEXIBILITY LEGISLATION | 13 |
| | Summary of Findings | 13 |
| | Implementation Actions Relating to Act 321, SLH 1986 | 14 |
| | Implementation Actions Relating to Act 320, SLH 1986 | 20 |
| | Recommendations | 25 |
| 4 | ACCOUNTABILITY THROUGH EDUCATIONAL ASSESSMENT | 27 |
| | Summary of Findings | 27 |
| | Increased Momentum for Educational Assessment at UH | 27 |
| | Dispersed Nature of Educational Assessment Activites at the UH | 29 |
| | Continuing Delay for the DOE's "School Performance Report Card" | 33 |

*Chapter* *Page*

Inadequate Educational Assessment and Accountability Plan ..... 35
Limited Attention to Inter-Agency Coordination of Educational Assessment ..... 38
Recommendations ..... 39

NOTES ..... 41

## LIST OF TABLES

*Table* *Page*

3.1 Effectiveness Measures of Fiscal Services and Procurement and Property Management, University of Hawaii ..... 15

## Chapter 1

## INTRODUCTION AND BACKGROUND

This is the third and final of three annual reports prepared pursuant to Acts 320 and 321, SLH 1986, which temporarily granted broadened administrative flexibility to Hawaii's two educational agencies--the Department of Education (DOE) and the University of Hawaii (UH). Under these two acts, the Office of the Legislative Auditor was directed to assess and evaluate the impact of the flexibility legislation--especially its impact on the quality of education rendered by the two agencies--and report back to the Legislature, particularly with regard to whether the legislation should be kept in effect or allowed to expire on June 30, 1989, as provided for in the two acts.[1]

The first and second interim reports were submitted to the Legislature in 1987 and 1988 respectively.

### Objectives of the Evaluation

In consonance with legislative directives and as indicated previously in our two interim reports, the objectives of this evaluation are as follows:

1. To identify and assess the nature, extent, and effects of centralized controls on the UH and DOE prior to actions taken to grant greater administrative flexibility to the two educational agencies.

3. To describe and assess the impact of the flexibility actions on the administrative procedures and operations of the DOE and UH.

4. To the extent possible, assess the impact of the flexibility actions on the quality and effectiveness of the major educational program areas of the UH and DOE, with particular emphasis on the impact on student education activities supported by the general fund.

5. To make an overall evaluation of the flexibility actions and to recommend whether such actions should be discontinued, kept in effect as is, or continued with modifications.

### Scope of the Evaluation

Pursuant to statutory intent, the main focus of this evaluation was on the impact of the administrative flexibility granted under Acts 320 and 321, SLH 1986. In the case of the UH, the

scope of the project was also extended to include the impact of administrative flexibility granted to the UH by executive action of Governor George R. Ariyoshi and the personnel delegation and reorganization actions of the University of Hawaii Board of Regents prior to the passage of Acts 320 and 321. These earlier executive and internal UH actions set the stage for the enactment of Acts 320 and 321.

In terms of time frame, the scope of the evaluation went back to September 1985, when the Governor first took major actions to grant increased administrative flexibility to the UH, and encompassed activities up until January 1989, although the bulk of the field work was completed by early December 1988.

Inasmuch as the Legislature wishes to ascertain the possible effects of administrative changes on the quality and effectiveness of educational programs, we were also concerned with the broad and complex issues relating to what is meant by quality and effectiveness in the field of education and how such concepts may actually be measured, if at all. This led us into a consideration of developments and trends relating to educational assessment.

**Organization of the Report**

This report is divided into four chapters. Chapter 1 consists of this introduction and some background information, including a summary of the findings and recommendations contained in the two preceding interim reports. Chapter 2 discusses the executive and educational agency perspectives on administrative flexibility. Chapter 3 is the central chapter and provides an update on the actual implementation of Acts 321 and 320, SLH 1986, within each of the two educational agencies. This is followed by a review in Chapter 4 of educational assessment activities in the UH and DOE.

**Background**

Our first interim report broadly described the events and background leading up to the passage of Acts 320 and 321 in 1986. Rather than repeating this description, it may be briefly stated that the enactment of this legislation was the result of 20 years or more of concern and controversy centering around efforts to meet and balance the aspirations of the educational agencies for greater autonomy on one hand and the felt need for continued centralized control and accountability on the other hand.

**First interim report.** In our first interim report (which was prepared very shortly after the new legislation went into effect), we found that the two educational agencies were at different stages of preparation for making changes when this legislation was passed. As a result, the UH

was able to move much more quickly and smoothly than the DOE to take over various financial operations covered by the legislation (all, in fact, except for the payroll function). The DOE on its part, elected to take an incremental approach to the absorption on various financial operations. Due to the extra costs involved and their desires to develop broader personnel management and information systems of which payroll would be a part, both agencies deferred action on taking over the payroll function.

With regard to the impact of the administrative flexibility legislation on the quality of education, however, we found that this would not be possible within the time frame provided under Acts 320 and 321 due to the inability within such a short span to make any direct correlations between changes in administrative procedures and business operations and the quality of education being delivered by the DOE and UH, if indeed any such correlations can be made at all.

At the same time, we felt that a viable alternative would be to evaluate the quality of education provided by the two agencies on a long term basis through the application of edcuational assessment techniques like those being developed and utilized elsewhere throughout the United States (the subject of quality of education and accountability has been receiving widespread attention in other jurisdictions).

Inasmuch as both the UH and DOE were just beginning to give preliminary attention to educational assessment at that time, we recommended that both of them: (1) continue to broaden their educational assessment plans and efforts, (2) review national educational assessment trends, and (3) consider interrelationships between higher and lower education in their approaches to educational assessment.

**Second interim report.** In our second interim report, we looked mainly at what further actions the DOE and UH had taken with respect to: (1) the implementation of Acts 320 and 321 and (2) the development of educational assessment programs and activities. Regarding Act 320, we found that this legislation had not reduced the amount of paperwork. While some question of interpretation had arisen between the UH and the Department of Budget and Finance (B&F) concerning the approval of transfers between programs, this was not a major problem. We did find, however, that the UH had circumvented the transfer process altogether in making one fairly substantial transfer between programs (something which might have occurred whether or not Act 320 had been passed). Accordingly, we recommended that the UH and B&F try to work out their differences regarding allotment transfers and that the UH make sure that all transfers were made properly through the allotment process.

With respect to Act 321, we found that the DOE had taken over the vendor payment function effective July 1, 1987, and that early evidence indicated the results from this transfer would be favorable. We also found that a separate financial audit (in addition to the UH's own independent audit) had not revealed any serious deficiencies within those fiscal operations which had been transferred to the UH. On its part, the UH had decided not to assume responsibility for the payroll function due to the high additional costs it would have to incur to do so. Meanwhile, the DOE had decided to develop a comprehensive financial management system for itself that would include the possibility of taking over the payroll function. As a result of this action, it had requested that transfer of the payroll function be deferred until later when the new financial management system would be able to accommodate it.

In light of these findings, we recommended that the UH's decision not to take on the payroll function be accepted, that caution be exercised regarding the DOE's continuing desire to assume the payroll responsibility, and that the DOE should submit for legislative review its plans to take over payroll within the context of its proposed new financial management system (including objectives, scope, resource requirements, implementation timetable, expected benefits, and assessment of alternatives) prior to any final decision on this matter.

In the area of educational assessment, we found that this subject was receiving increased attention and support throughout the country, that this increased emphasis was taking place with considerable diversity in terms of the nature, form, and scope of assessment actually performed, and that educational assessment was still very much in the formative stages at the UH and DOE. Based on these findings, we reiterated the relevant recommendations contained in our first interim report--that the two educational agencies should expand and accelerate their educational assessment efforts, both internally and cooperatively between them. We also recommended that they submit to the 1989 Legislature their plans with regard to educational assessment.

Our subsequent follow up and the preparation of this third and final report have taken into account the findings and recommendations of the two interim reports.

## Chapter 2

# DIFFERENT PERSPECTIVES ON ADMINISTRATIVE FLEXIBILITY

Two parties--the Executive (the Governor and his several central staff agencies) and the educational agencies themselves (the University of Hawaii and the Department of Education)--are the parties principally involved in and affected by the question of administrative flexibility for Hawaii's two major educational agencies. Each of these parties has its own perspective on the administrative flexibility issue. When assessing the effect of the 1986 administrative flexibility legislation (Acts 320 and 321), therefore, it is essential to take into account these different perspectives. In this chapter we outline these different perspectives and indicate their significance with regard to assessing the impact of the administrative flexibility legislation.

### The Executive Perspective

State governments in the United States are frequently categorized on the basis of having either "strong" or "weak" executives--that is, having either governors with strong authority over the executive branch (through the ability to appoint most department heads, to formulate a consolidated and integrated executive budget, and to exercise centralized fiscal, personnel, and other controls) or governors with weak authority over the executive branch (due to having a number of separately elected department heads, having limited ability to put together an integrated executive budget, and not having the ability to exercise centralized controls).

The strong executive model is billed as more modern and is supported on the basis that it promotes greater efficiency, effectiveness, fairness, and accountability in the administration of the state government by being able to give consistent direction and to coordinate state programs and the use of state resources. The weak executive model is more traditional and is defended on the basis of being more democratic and more directly responsive to the people by virtue of having more elected officials and dividing authority among those officials.

Hawaii falls into the strong executive category. Indeed, as it was originally drafted and adopted, the Hawaii State Constitution provided for one of the strongest chief executives among the fifty states. At that time, there were only two officials within the executive branch--the Governor and the Lieutenant Governor--who were elected. All other officials (including single

department heads and members of boards heading departments) were subject to appointment by the Governor. The executive power of the State was unequivocally vested in the Governor and centralized control and direction were emphasized by the constitutional requirement that the executive agencies and functions be consolidated into not more than twenty major departments. The Governor was also given the authority and duty to prepare and submit to the Legislature a budget "setting forth a complete plan of proposed general fund expenditures and anticipated receipts of the State for the ensuing fiscal period."

Since 1959, there has been some dimunition of the constitutional strong executive role of the Governor. One of the most significant changes was the constitutional amendment which provided for an elected, instead of an appointed, Board of Education to head the Department of Education. Then, under a subsequent amendment, constitutional provisions were inserted to give greater emphasis to the internal management roles of the Board of Education and of the Board of Regents of the University of Hawaii.

In the case of the Board of Education, Article X, Section 3, provides that the board "shall have jurisdiction over the internal organization and management of the public school system, as provided by law, and shall exercise its jurisdiction in a manner consistent with general laws." As for the Board of Regents, Article X, Section 6, provides that the board "shall have exclusive jurisdiction over the internal organization and management of the university." The section then goes on to state: "This section shall not limit the power of the legislature to enact laws of statewide concern."

Despite these modifications, the Governor's constitutional role still remains a very strong one--even in the area of education. For one thing, he still appoints the members of the Board of Regents. For another, he retains his authority and responsibility with regard to the preparation and submission of the executive budget. Further, he continues to be responsible for "the faithful execution of the laws" of Hawaii, including those of general and specific application to the two educational agencies.

In addition to these constitutional powers and duties, Hawaii's statutes also vest considerable centralizing authority and responsibility in the Governor and in the executive staff agencies which are under his direct control (such as the Department of Budget and Finance, the Department of Accounting and General Services, the Department of Personnel Services, and the Department of the Attorney General). With respect to budgeting, expenditure of public funds, and dealing with state employees, there is very little that lies beyond the statutory purview of the Governor and the staff agencies. The Governor's coordinating role is also enhanced by the general planning system and the planning, programming, and budgeting system which the State has statutorily adopted.

The Governor, then, has a real stake in what happens with regard to state activities in the field of education. When the size and scope of these activities are taken into account, the significance of this stake becomes even more apparent. In Hawaii, the state government, rather than local governments, has responsibility for and operates the public school system. As a consequence, the combined general fund expenditures for higher and lower education amount to more than 40 percent of all State general fund expenditures. Not only are these educational activities large and important in themselves, but they also touch upon and are influenced by the gamut of state agencies and programs relating to economic development, employment, culture and the arts, public health and safety, social services, justice, and transportation.

Thus, to remove the whole field of education from the control, direction, and influence of the Governor would be to exclude him and his staff agencies from a very major portion of state government activity and render meaningless the concept of a unified and coordinated executive branch of government. As one official in the current administration has indicated, just the talk about flexibility for the UH and DOE is enough to make the two educational agencies think less about overall teamwork within the executive branch.

This same official has gone on to say that if flexibility is to be given, it should be granted at the discretion of the Governor and not made a matter of statutory law. Under this approach, the Governor could, in times of economic adversity, restrict allotments and place other controls on all departments and agencies so as to maintain the fiscal integrity of the State (such as occurred a number of times during the previous administration when Hawaii was facing periods of economic austerity). Conversely, in periods of economic prosperity (such as the current situation), the Governor could extend increased flexibility to some or all departments and agencies and not just to the two educational agencies (as the present administration is reported to be willing to do).

Viewed from the executive perspective, then, it is quite understandable that the executive would be quite wary of the concept of administrative flexibility for the educational agencies.

**The Educational Agencies' Perspective**

Although the University of Hawaii (UH) and the Department of Education (DOE) are organized under the state government of Hawaii and receive the bulk of their financial support from Hawaii's taxpayers, they view themselves as being "different" from other state government agencies and on the basis of this difference they feel they should not be treated just as if they were like other state departments and agencies. The bases for this feeling of difference and separateness are set forth below.

**Special constitutional status.** First and foremost among the arguments on behalf of the different and separate nature of the two educational agencies is the fact that they enjoy a special constitutional status. Each has its own constitutionally provided governing board. In the case of the DOE, the Board of Education (BOE) is made elective rather than appointive by the Governor. Although the UH's Board of Regents (BOR) is appointed by the Governor, the institution is given corporate status by the constitution and, unlike most other state agencies, is also constitutionally given the right to hold title to its own properties. As discussed earlier, the Hawaii State Constitution also sets forth special language regarding the authority of the BOE and the BOR to exercise "jurisdiction over the internal organization and management" of the the public school system and the university respectively. Although these grants of authority are not completely unlimited, it can be and is argued that they indicate an intention for the two agencies to be able to be more independent and more in control of their own internal operations than is the case (at least constitutionally) with regard to other state departments and agencies.

This special constitutional status has been used as one of the main justifications for enacting administrative flexibility legislation for the DOE and UH. It has also provided the basis for the BOE joining with the teachers union in bringing suit against the State to exempt the DOE from budgetary controls imposed on all executive departments.

**Uniqueness of educational activity.** In addition to the special constitutional status accorded Hawaii's two educational agencies (if not, indeed, a major justification for such special status), the uniqueness of education as a governmental undertaking is used as a major argument to treat the DOE and UH differently and separately from other departments and agencies of the state government. Unlike many endeavors of government which are involved with physical, tangible, and readily measurable matters (such as miles of highways or number of housing units built, amount of revenues collected, number of placements made, and the reduction of disease or crime rates), education is concerned not only with imparting specific information and skills but also with affecting ways of thinking and attitudes. Being thus concerned with the realm of ideas, education must also be attendant to academic freedom.

The uniqueness of educational activity is manifested in several ways. For one thing, the regular governmental personnel management system is not suitable for educational agencies. The UH and DOE each has its own separate and different system for determining the qualifications of, recruiting, classifying, and compensating its educational staff. In like manner, the regular governmental work schedule and timetable are not followed by the DOE and UH. Both educational agencies have their own academic calendars, academic workweeks, and methods for assigning and calculating workload.

**Collegial tradition of decisionmaking.** Closely associated with, if not an actual part of, the uniqueness of education is the strong tradition of collegial decisionmaking found in institutions of higher education, including the UH. Under this tradition, a great deal of decisionmaking--particularly with regard to academic matters--is vested in the faculty. Hence, many decisions tend to be consensual in nature and to flow upward in the organization rather than to be set at the top and to flow downward. For outsiders, such a system may seem to be time consuming and inefficient. For insiders, however, this tradition forms a vital element of academic freedom and educational professionalism.

**Variant budget procedures.** Still another factor setting the educational agencies apart from other agencies of government--but one of more practical than theoretical consequence--is the variant budget procedures which they follow. Because their budget requests must be formally acted upon by their respective boards before being submitted to the executive for review, both the UH and DOE have their own internal budgeting systems which do not always mesh smoothly with the overall budgeting system that is geared to meeting the needs of the executive and to fitting the timetables of the other agencies. In the case of the UH, collegiality adds to the need for more time and an earlier time schedule to arrive at budget decisions.

In light of the foregoing considerations, the educational agencies can feel strongly justified in seeking to be treated differently and separately from other state departments and agencies with respect to their budgets and internal operations. From their perspective, then, executive and legislative review and control of their operations should be on an overall, rather than detailed, basis. In terms of their budgets, this means setting ceilings on what they are allowed to expend, but then giving the educational agencies the discretion to make detailed expenditures within these ceilings. To the extent felt to be necessary, accountability would be through broad disclosure of intended plans and after the fact reporting of actual results.

**Significance of Diversity of Perspectives**

Such diversity of perspectives holds significance when assessing the question of administrative flexibility for the UH and DOE because it points up that there are inherent conflicts among the two major parties involved and for this reason it is better to search for a solution (that is, a compromise) which is at least acceptable to both rather than one which is completely satisfactory to only one of the parties. From the foregoing discussion, it is apparent that if any one of the two positions is completely and unequivocally embraced, then it would be impossible to satisfy the other position.

In short, the diversity of executive and educational agency perspectives sets limits on what can reasonably and realistically be expected in terms of granting administrative flexibility to the DOE and UH. If the Governor and his staff agencies are able to exercise the same extensive control over the educational agencies as they exercise over other agencies, then the "difference" which the UH and DOE consider so vital to them will be los'

In like manner, if the educational agencies are given autonomy to the point where the Governor and the executive staff agencies are unable to exert any control (except perhaps to recommend budget ceilings for the UH and DOE), then the Governor will be precluded from exerting meaningful control and influence over a very major portion of the state government's operations.

**General criteria for assessing administrative flexibility legislation.** Assuming the need for some compromise approach to the matter of administrative flexibility for Hawaii's two educational agencies based on the foregoing discussion, it is possible to formulate some general criteria for assessing the administrative flexibility legislation enacted with respect to the UH and DOE (Acts 320 and 321, SLH 1986). Accordingly, such general criteria are set forth below.

***Bases for continuing legislation.*** As enacted, Acts 320 and 321, SLH 1986, are due to expire on June 30, 1989. Thus, if they are to be continued in force, legislation to this effect will have to be passed during the 1989 legislative session. Bases for continuing such legislation might then include the following: (1) it has maintained or enhanced the efficiency, economy, effectiveness, and timeliness of affected operations; (2) it has kept up or improved the integrity (honesty and fairness) of governmental operations; (3) its continuance is desired by the affected educational agencies; (4) it has not seriously detracted from the Governor's ability to give direction to and coordinate executive activities; and (5) it has not significantly interferred with the Legislature's ability to obtain information and set policy on educational matters.

***Bases for terminating legislation.*** Looked at conversely, bases for *not* continuing this legislation would include the following: (1) it has adversely affected the efficiency, economy, effectiveness, and timeliness of governmental operations; (2) it has reduced or undermined the integrity of the affected governmental activities; (3) it is no longer desired by the affected educational agencies; (4) it has seriously detracted from the Governor's ability to provide strong executive leadership and coordination; and (5) it has interferred with the Legislature's ability to review and set policy on educational matters.

Not all of the criteria for continuing or terminating the legislation can be objectively applied, but we list them as general considerations.

**Focus on end results rather than operational controls.** The foregoing discussion is founded on the basic assumption that the Governor and the two educational agencies, as well as the Legislature, all share responsibility and have a role to play with respect to education in Hawaii. At the same time, it should be recognized that checks and balances as an instrument serves as a brake rather than as an accelerator. It may prevent the worst from happening, but it does not assure that the best will be achieved.

It was in recognition of this problem of multiple operational control that we directed attention to the growing importance of educational assessment throughout the United States as a means of improving education and achieving educational reform. As we stated in our 1988 second interim report on the administrative flexibility legislation:

> "Educational assessment has come to the forefront, therefore, as a means of achieving accountability in the field of education without having outsiders constantly second-guessing educators or becoming deeply involved in day-to-day educational operations. Under this approach, educational agencies are judged on their performance or the results they produce and held accountable therefor instead of being given precise instructions as to how they should function or of being turned completely loose to do as they please.
>
> "Besides enhancing relationships between educational agencies and outside parties, educational assessment provides the added advantage of helping to clarify and ease the role of executive boards which head up so many educational agencies. There is a temptation for such boards to become deeply involved in the administrative details of the agencies for which they are responsible. A properly established system of educational assessment, however, can enable such boards to draw back from their entanglement in administrative minutiae and to concentrate on the performance of the educational managers who they have charged to achieve the objectives of their agencies. This, in turn, can enhance their ability to focus on their roles as policy bodies."[1]

In our earlier reports, we noted that both the DOE and UH were beginning to give some attention to educational assessment. However, neither had progressed to the point where educational assessment might be immediately turned to as a means of assuring accountability on the part of the two educational agencies. Accordingly, we recommended that increased emphasis be given to educational assessment in Hawaii so that it might be used as an accountability instrument.

We still adhere to the view that educational assessment is to be preferred over detailed operational control as a means of achieving accountability in the the field of education. Therefore, in making this final assessment of the administrative flexibility legislation, we have continued to look at what the UH and DOE have been doing in this area. The stronger educational assessment is put into place within and between these two agencies, the better case they have for retaining the flexibility legislation.

## Chapter 3

# UPDATE ON THE IMPLEMENTATION OF THE ADMINISTRATIVE FLEXIBILITY LEGISLATION

In our two previous interim reports on the administrative flexibility legislation (Acts 320 and 321, SLH 1986), we reviewed progress made on the implementation of the legislation by the University of Hawaii (UH) and the Department of Education (DOE). In this chapter, we provide an update on the implementation processes within the two educational agencies.

**Summary of Findings**

With regard to the implementation of *Act 321, SLH 1986*, relating to *fiscal operations*, we find as follows:

1. Except for the payroll function which the university has decided not to assume, the implementation of Act 321 at the university has proceeded in a timely manner, appears to be working smoothly, and has been well received by the university community.

2. Under the Department of Education's incremental approach to implementation, the department has taken over the operation of the interim vendor payment system without any apparent serious problems. Also impacting on the implementation issue is the department's development of a comprehensive financial management system. However, it is not certain whether the proposed financial management system will be compatible with, or can be adapted to, recent commitments to educational reforms, such as school site management, or other major organizational and program changes which may be forthcoming.

3. The continuing effort by the Department of Education to take over the payroll function is unwise and unjustified. Such a move would be costly, would not significantly reduce processing time, and offers no direct benefit in terms of improving the quality of education.

4. More time under normal operating conditions will be needed to assess fully and fairly the effects of Act 321 at both the University of Hawaii and the Department of Education.

With regard to the implementation of *Act 320, SLH 1986*, relating to *budget execution* (allotment control), we find as follows:

1. Act 320 has had minimal impact upon the university. It has modified only slightly the involvement of the Department of Budget and Finance in the allotment process. It has not speeded up the university's own internal allotment process.

2. Act 320 has similarly made little change in the handling of allotments by and between the Department of Education and the Department of Budget and Finance.

**Implementation Actions**
**Relating to Act 321, SLH 1986**

In this section, we review the implementation of Act 321, SLH 1986, within the two affected educational agencies.

**University of Hawaii.** As noted in our earlier reports, the UH was one of the prime movers behind the enactment of the administrative flexibility legislation and had started preparing to implement the legislation even before it was passed. Therefore, within a short time after the legislation took effect, the UH had assumed operational control over most of the financial activities covered under Act 321. The one exception was the payroll function. After reviewing the additional resource requirements needed to take over the payroll function, the UH decided to leave that function with the Department of Accounting and General Services (DAGS).

Although no fundamental changes have been made in internal procedures or processes since assuming these responsibilities, UH systemwide fiscal administrators, college administrative service officers, and unit fiscal officers all indicate that the change has helped them to streamline fiscal operations without any loss of accountability. The main difference is that personnel within the UH central administration can now take final action on many matters which previously had to go on for review and approval by outside authorities (primarily DAGS). Hence, it has been possible to reduce the turnaround or response time for many transactions or to make other similar improvements.

To monitor the effects resulting from the implementation of Act 321, the UH established a number of specific measures for this purpose. It then applied these measures to actual activities during the ensuing years. The results of these monitoring efforts are summarized in Table 3.1. This table reflects the application of the measures in fiscal year 1985-86, prior to the effect of Act 321, and in fiscal years 1986-87 and 1987-88, the first two years under Act 321. As the table shows, there was an improvement in every category between the first and second years. Except for one category, further improvements were made or the prior improvements were retained between the second and third years.

It should be recognized that all of the improved efficiencies achieved since fiscal year 1985-86 may not be entirely attributable to the simple step of not having to send matters outside the UH for review and approval. Some of them are also due to internal improvements within the UH. Thus, it is not known how much change there would be (efficiency lost) if outside review and approval should once again be instituted.

Table 3.1

Effectiveness Measures of
Fiscal Services and Procurement and Property Management
University of Hawaii

| MEASURES | FY 1985-86 | FY 1986-87 | FY 1987-88 |
|---|---|---|---|
| **Fiscal Services** | | | |
| Replenish imprest/petty cash accounts | 14 days | 8 days | [illegible] days |
| Receipt of faculty/staff travel advance | 17 days | 14 days | 11 days |
| Make vendor payments after receipt of documents in Disbursing Office | 24 days | 10 days | 6 days |
| Receipt of payment to vendor after satisfactory delivery of goods or services and invoicing | 31 days | 22 days | 19 days |
| Record data in fiscal system | 13 days | 5 days | 5 days |
| Interest paid to vendors for late payment | $3,700 | $1,500 | $ 650 |
| University funds invested and earning interest | 59 percent | 100 percent | 100 percent |
| **Procurement and Property Management** | | | |
| Approval of emergency services | 16 days | 1 day | 1 day |
| Approval of sole source contracts | 20 days | 4 days | 4 days |
| Approval to hire consultants* | 20 days | 1 day | 1 day |
| Approval to negotiate when no bids received | 16 days | 1 day | 1 day |
| Approval for leasing of space | 20 days | 1 day | 1 day |
| Approval to dispose of obsolete and broken equipment | 21 days | 7 days | 7 days |
| Required time to complete advertised procurement bidding | 89 days | 76 days | 82 days |

*Excludes architects, engineers, auditors, attorneys, and contract exceeding $25,000.

Sources: University of Hawaii, Office of the Vice President for Finance and Operations, Fiscal Services Office, and Procurement and Property Management Office, August 1988.

On the basis of present indications, then, it may be said that the UH has taken on its added fiscal responsibilities in a timely and smooth manner. It may also be said that Act 321 and its effects have generally been very warmly received by most members of the university community. While this sentiment is probably quite genuine, it is also probably colored by the fact that many persons at the UH associate other events at the UH with the administrative flexibility legislation. At the same time this legislation was being implemented, a new administration was taking over at the UH, the UH was undergoing a major reorganization, and a large shift in delegations of authority (from the Governor to the UH, from the Board of Regents to the UH administration, and from the central UH administration to other units lower in the UH organizational hierarchy)

was occurring. Based upon our interviews with many UH personnel, many of the changes flowing from these events are associated broadly with the concept of administrative flexibility, and thus with the administrative flexibility legislation.

**Department of Education.** Not being as prepared as the UH for the advent of the administrative flexibility legislation, the DOE has taken an incremental approach to the assumption of responsibilities under Act 321. In our first interim report, we noted that preauditing and certain purchasing activities were the first functions to be assumed by the DOE. Then, in our second interim report, we reported that the vendor payment function had just recently been transferred to the DOE from DAGS. We also noted in the same report that the DOE had made the decision to develop a comprehensive financial management system for itself which would include the payroll function. Thus, despite the fact that the UH had already decided not to assume the payroll function, the DOE decided to delay action on the payroll question until further work was done on the overall financial management project. In the discussion that follows, we consider both the vendor payment program and the DOE's efforts to develop a comprehensive financial management system.

A little more than a year has gone by since the transfer of vendor payments was effected. In our second interim report, we indicated that a conclusive assessment of DOE's assumption of vendor payments was premature although preliminary data indicated that there was a decrease in processing time and other benefits. A year later, there is now a more substantial record and period to show that the DOE is continuing to pay vendors in a timely manner.

Another indicator of timely payments is the amount of interest an agency has to pay on unduly delayed vendor payments. Under Section 103-10, HRS, state agencies are required to pay vendors interest on amounts left unpaid more than 45 calendar days. In 1990, this interest penalty will have to be paid after only 30 calendar days. Since taking over the vendor payment function, the DOE reports that it has not made any interest payments to vendors. While this may indicate that the DOE has been timely in making vendor payments, it also reflects a difference between the DOE (and apparently also the UH) and DAGS with regard to legal interpretation and practice concerning the payment of the interest penalty.

Whereas DAGS automatically calculates and pays this interest penalty whenever it becomes due, the DOE (and UH) only pays the penalty amount when the payee specifically bills for it. Thus, even though it may be due, the interest penalty is not paid by the DOE (and UH) unless the affected vendor so requests. This means, then, that the non-payment of any interest penalty may not necessarily mean that all payments are made in a timely manner, but rather that no vendors have requested the interest payments due them.

The approach taken by the DOE (and UH) to this matter redounds to the benefit of the department, but is not very fair to the affected vendors and diminishes the effect of the penalty as an incentive for prompt payment of bills due. It would seem, therefore, that the DOE (and UH) should bring its interpretation and practice into conformity with DAGS' interpretation and practice regarding the payment of the interest penalty.

***DOE's development of a comprehensive financial management system.*** In our second interim report on the administrative flexibility legislation, we also noted that the DOE had decided to proceed with plans to develop a much more comprehensive financial management system for itself and that this decision would have an impact on the implementation of the flexibility legislation and on the question of whether or not this legislation should be continued. As envisioned, the new financial management system would also include the payroll function. Consequently, rather than follow the UH's example of leaving payroll with DAGS, the DOE opted to leave this decision to be made until after it had more completely developed its new financial management system.

In response to the DOE's presentations on the proposed financial management system, the Legislature appropriated $1,011,000 to the DOE under the Supplemental Appropriations Act of 1988 (Act 390) for the first phase of the implementation of the new system. At the same time, the Legislature, in its conference committee report to the supplemental appropriations act, issued this caution: "Your Committee urges that subsequent phases be carefully analyzed, especially the proposed development of a completely independent payroll system."

Currently, a DOE task force is working with a consultant (the certified public accounting firm of Ernst & Whinney) to perform a thorough study aimed at defining the proposed account code structure for the new system and to determine detailed system requirements based upon user needs. This study is scheduled to be completed by the end of Janauary 1989, after which the DOE will open the project to bid to software companies. A request for proposals is expected to be issued in February 1989.

Due to the need to give software companies time to reply to the request for proposals, the DOE has estimated that it will be April or May 1989 before it will be able to evaluate proposals from interested software companies. At that time, the DOE will have to determine whether DAGS' existing financial accounting system, FAMIS, can accommodate the DOE's requirements or whether it will have to go to a completely new system.

The consultant's study encompasses the payroll function. The DOE decided to include payroll in the first phase of implementation because it felt it was more cost effective to do so rather than contract separately at a later date for this work. Also influencing this decision is the

fact that almost all currently available financial management software packages include payroll. In addition, to obtain the types of information it wants, the DOE feels that it must be able to tie payroll and personnel information together and to relate them both to other expenditures so as to provide accurate and complete data on actual program costs.

Throughout the development efforts on behalf of the new financial management system, the DOE has been maintaining close contact with the Electronic Data Processing Division (EDPD) of the Department of Budget and Finance. Although no final decision has been made on the matter yet, EDPD indicates that some dedication of resources (that is, exclusive use of equipment) will probably be necessary to accommodate the new system. This is because so many schools will have to be brought on-line into the system.

To continue moving forward on the implementation of both the new financial management system, the Board of Education has approved the inclusion of a substantial amount for further development of the financial management system in the DOE's budget request for the 1989-91 biennium. The request is for 21 additional positions and for $7,544,935 in the first year and $2,788,427 in the second year. The request includes a mainframe computer system; data communications hardware; user equipment at the state, district, and school levels; telecommunication line charges; central data processing service personnel; and additional positions for training, consultative, implementation, and support services. This budget request has been included in the executive budget recommended by the Governor.

We advise caution in proceeding into the implementation phase of the proposed financial management system. Vast changes may be in the making for the public school system. The Governor as well as the Board of Education have recently made commitments to educational reform. One reform proposed by the Governor and endorsed by the board is school site management--providing the individual school with greater authority and responsibility to chart its own course. While the full details of school site management have not been developed, it very likely would entail some degree of the individual school developing its own budget and controlling its own resources. In any event, school site management has far reaching consequences for a financial management system. Other major changes have also been proposed which may significiantly alter the organization, programs, and responsibilities of the various units of the department.

Therefore, before proceeding with implementation of the new financial management system, there needs to be assurance that it will be compatible with, or can be adapted to, the various organizational and program reforms which are under consideration. It should be recalled that the planning for the new system preceded the consideration of the current educational reform

proposals. If there is uncertainty that the new financial system will fit and support the changes contemplated or even be necessary under the decentralized organization being considered, it would be wise to defer implementation until the complete configuration of educational reform is settled.

***Lack of justification for continuing to pursue taking over the payroll function.*** In our second interim report, we noted with approval that the UH had decided against assuming responsibility for the payroll function. In arriving at this decision, the UH cited the very large additional costs involved and the fact that no significant reduction in processing time would likely result. Despite this finding on the part of the UH, we also noted that the DOE was continuing to pursue the assumption of the payroll function as far as its employees were concerned.

In light of the UH's action on this matter, we recommended in the second interim report that the DOE should exercise caution with regard to taking over the payroll function and before taking action in this area should carefully weigh the available alternatives and make sure that any additional costs can be adequately justified by the added benefits to be derived. As noted earlier, the Legislature issued a similar caution. We further recommended that the DOE should submit to the Legislature for prior review its plan for taking over the payroll function. Such plan should set forth the objectives, scope, description, resource requirements, implementation timetable, expected benefits, and as assessment of alternatives to the new system being contemplated.

Regretfully, however, the DOE has chosen to pursue a different course. Instead of weighing alternatives and determining whether a different way of handling payroll is either necessary or desirable, it has proceeded on the assumption that it should include payroll with all of the other fiscal operations being incorporated into the new financial management system which it is developing for itself. Such action is unwise and unjustifiable.

First of all, it should be noted that no basic fault has been found with the existing payroll system. Employees are being paid on time, and the State has a single and apparently successful system for paying all of its employees and accounting therefor. Based upon the UH's assessment of the situation, there is little likelihood that any significant improvement can be achieved in processing time by another agency taking over the payroll function. On the other hand, having more than one payroll system complicates overall accounting for and reporting payroll costs.

Moreover, there is no doubt but that the transfer of the payroll function to the DOE would result in a significant cost increase for the DOE--probably in excess of $1 million. Finally, such a move with its attendant costs offers no direct benefit in terms of improving the quality of

education. It would appear, then, that the resources being devoted to this effort to transfer the payroll function would be more wisely and productively employed if they were used for the direct benefit of the educational process.

**Need for more time to assess the effects of Act 321.** Since Act 321 went into effect, there has been only a little more than two years of actual experience with the legislation. Moreover, this can hardly be termed normal operating experience. In the case of the UH, several major events occurred almost simultaneously with the administrative flexibility legislation which have also influenced the behavior and attitudes of administrative personnel throughout the university system. In addition, the UH has focused special attention on its fiscal operations (through the employment of a special outside auditing firm) in recognition that it would be subject to special scrutiny as a result of the monitoring provisions contained in the administrative flexibility legislation.

With respect to the DOE, its performance under the administrative flexibility legislation may be greatly affected by the major proposals now being made to decentralize many of the operations of the DOE. At the same time, some of the changes being comtemplated may be facilitated by administrative flexibility and be hampered without it. While any educational reform effort is under way, it would be disruptive, if not counterproductive, to try to start recentralizing various fiscal activities.

In light of the foregoing, it would appear appropriate to allow more time for assessing the effects of Act 321. Thus, if there is any question as to whether or not this legislation should be allowed to continue, then instead of letting the law expire on June 30, 1989, as currently provided, it would be better to extend this expiration deadline for another three to five years so that a fuller evaluation can be made. Such an evaluation could also include a more thorough review of educational assessment activities of both DOE and UH, the need for which is discussed in Chapter 4.

**Implementation Actions Relating to Act 320, SLH 1986**

The results of our review of the implementation of Act 320, SLH 1986, relating to budget execution (allotment control), are set forth below.

**University of Hawaii.** In our 1988 second interim report on the administrative flexibility legislation, we found that the application of Act 320 to the allotment process at the UH had been less than satisfactory.[1] For one thing, the amount of paperwork had increased, rather than decreased, under the new procedures due to the necessity to make quarterly and annual reports on transfers. For another thing, there was a disagreement between the UH and the Department

of Budget and Finance (B&F) regarding what constituted transfers between programs (such transfers still require prior executive approval under the provisions of Act 320). Among the recommendations we made in that report was that the UH and the budget agency should jointly review the allotment process with the objective of simplifying and streamlining it while maintaining an acceptable level of accountability.

Since the issuance of that report, the situation has remained basically unchanged both internally and externally as far as the UH is concerned. When we surveyed fiscal officers in the colleges and research units at UH-Manoa and at the community colleges, we were informed that no changes in the UH's own allotment procedures had occurred since Act 320 was passed. The increase in paperwork had occurred at the UH systemwide level which is responsible for preparing the required quarterly and annual reports.

As we also reported earlier, only a very small proportion of the UH's total appropriations is affected by allotment transfers. For instance, for fiscal year 1986-87, the transfers between quarters and between cost elements (for example, from the personal services or salaries category to the other current expenses or supplies category) represented only 3.4 percent and 0.5 percent, respectively, of the total UH-Manoa allocation of $131.8 million for that year. Similarly, for fiscal year 1987-88, there were no transfers between quarters and only 10 transfers between cost elements for UH-Manoa. These 10 transfers involved a total of only $1,046,189, or 0.7 percent of UH-Manoa's total allotment of $151,141,386 for that year.[2]

Since the enactment of Act 320, transfers between quarters and between cost elements are reported to the executive but do not require executive approval. Thus, the flow of paperwork remains the same, but processing through the Department of Budget and Finance is strictly perfunctory and does not involve review and approval on the part of that agency.

Transfers between programs still require executive approval under a special provision in the appropriations acts, but these, too, have been relatively insignificant. For fiscal year 1986-87, there were fewer than 40 such transfers for the entire university system as previously reported. For fiscal year 1987-88, there were only 14 transfers into programs and 10 transfers out of programs as follows:[3]

| Campus Unit | Transfers In | Transfers Out |
|---|---|---|
| UH-Manoa | 1 | 1 |
| UH-Hilo | 5 | 1 |
| West Oahu College | 1 | 1 |
| Community Colleges* | 7 | 7 |
| TOTAL | 14 | 10 |

*Does not include Kauai Community College.

In terms of total transfers into programs, these transfers amounted to less than $0.5 million, or less than 0.5 percent of the UH's total allocation of $225 million for fiscal year 1987-88. Total transfers (including between quarters, between cost elements, and between programs) for that same year were only about $11 million, or about 5 percent of the UH's total allocation.

Actually, for many UH administrators, the problems they have encountered with respect to allotments are related more to the UH's internal allotment process than to the allocation of funds to the UH by the executive. While the UH receives its annual allotments at the same time as other state departments (usually around the end of June each year for the fiscal year beginning the following July 1), the internal allotments of funds to programs in recent years have not been finalized until late in the first quarter or into the second quarter (that is, September or October) of the fiscal year. The main reason for this delay in making internal allotments is the UH's collegial decision making process.

Most of the college and program managers felt that it was a handicap not to be sure what their allotments were until so late into each fiscal and academic year and expressed the hope that greater administrative flexibility would help to alleviate this problem. As a consequence, they have been disappointed that Act 320 has not had the desired result of speeding up the internal allotment process. However, this is a problem which the UH must solve internally. If college and program managers are to have firm allotments on which to base their plans for each ensuing fiscal and academic year, then the UH will have to find some way to decide early on how it wants to make internal allocations so that allotment information can be transmitted to the college and program managers as close as possible to the first of July.

Broadly speaking, then, Act 320 may be said to have had a negligible effect on the operations of either the UH or B&F. If anything, the quarterly and annual reporting requirement has increased slightly the amount of paperwork involved (the actual allotment process has remained unchanged except for the more cursory handling of requests involving transfers between quarters and between cost elements). Only a small proportion of the total resources allocated to the UH becomes involved in transfers. Even when all allotments required executive approval, most received such approval without serious question. University administrators have conceded that obtaining executive approval has been more of a nuisance and a cause of delay than a real obstacle to their decisions and actions. At the same time, they strongly feel this is the type of decision making which they should be allowed to make without having to undergo any hassle or delay from outside authorities.

Based upon the foregoing, it would appear that up to a limit the UH should have a relatively free hand to make all types of allotment transfers on its own without having to obtain prior

executive approval. Unless transfers involve substantial amounts of money or are likely to have a significant effect upon programs, to require executive review and approval simply adds an extra administrative burden on all affected parties without really enhancing the executive's role of providing overall leadership, direction, and coordination.

Therefore, when weighing whether or not to allow Act 320 to remain in effect, consideration should be given to the alternative of giving the UH authority to make all types of transfers up to some limit and to require executive approval only above that limit. Such limit can be set in terms of either a dollar amount or a percentage or a combination of the two (that is, not to exceed x dollars or x percent, whichever may be the lesser amount). The limit can also be an overall one or one on individual allotments. Finally, the limit can be a cumulative one or one set on individual transfers.

In establishing such a limit, it should be recognized that the budget program structure for the UH results in there being approximately a hundred separate allotments for the UH, ranging in size from less than $50,000 per year to as much as $75 million per year. One of the reasons why the UH has to make as many transfers as it does is the fact that it has so many allotments and because a number of them are quite small. With large allotments, it is much easier to make internal adjustments in the expenditure of funds.

**Department of Education.** As in the case of the UH, Act 320 has not had a significant effect upon the allotment process as it involves the DOE and B&F. The same forms and the same process that existed before the passage of Act 320 continue to be used. The main difference is that B&F's handling is more limited and cursory than was previously the case. Neither department indicated that any serious problems appear to exist regarding the current arrangement. However, at the lower staff levels, there are feelings that B&F continues to request more detailed explanations for transfers than are necessary and that the DOE makes an excessive number of amendments to their allotments.

With regard to the latter point, B&F reports that the DOE made 79 amendments to its allotments between September 10 and December 15, 1988. This large number of amendments was attributed to the fact that the DOE does not receive all of its lower level expenditure plans until after the first quarter allotments are issued by B&F. As a result, the DOE does not have definite expenditure plans upon which to base its initial allotment requests. The DOE acknowledges that transfers have been frequent, but it points out that the transfers involve the movement of funds between quarters rather than between programs. To reduce the amount of paperwork involved in such transfers, the DOE has instituted a new policy under which the DOE state office internally approves individual allotment changes and then aggregates them by

program area for submission to B&F. This is possible under the authority granted by Act 320 for the DOE to make transfers between quarters and between expenditure elements without prior executive approval.

The transfer of funds between programs is much less of a problem for the DOE than it is for the UH. This is because the DOE has fewer and much larger budget programs than the UH. As noted earlier, it is much easier to make internal expenditure adjustments when large amounts of funds are involved.

Although Act 320 has not significantly altered the budget execution (allotment) process, the DOE is desirous of retaining this legislation. One reason for this is that it can make internal changes between quarters and between expenditure elements on its own and without prior executive approval and only has to report these changes to the executive. Such flexibility represents to the DOE both a practical and a symbolic recognition of the special status accorded to the DOE by the Hawaii State Constitution.

On the other hand, B&F remains skeptical of the need for or value of the administrative flexibility legislation. More particularly, it feels that such special treatment lessens the possibilities for cohesive teamwork among agencies, can produce unnecessary duplication of support services, and can result in inconsistent action from one department to another. What disturbs B&F most is the feeling of complete independence from the executive on the part of the educational agencies which it sees generated by the concept of administrative flexibility. In its view, this feeling of independence is epitomized by the decision of the Board of Education to join with the Hawaii State Teachers Association in bringing suit against the executive as a means of achieving greater autonomy for the DOE. The budget agency feels that many, if not all, of the objectives sought through this litigation could be attained through cooperation between the DOE and the executive.

The foregoing discussion indicates, then, that the question of continuing or discontinuing Act 320 has much greater psychological and symbolic ramifications than it has practical impact. The passage of this law did not significantly alter the way the state government operates. The expiration of the legislation would similarly have little practical effect. However, the failure to retain this legislation would almost certainly be interpreted by the educational agencies as a step backward and a rejection of the concept that they are different from other agencies and should be treated differently.

***Recommendations***

*We recommend that:*

*1. Act 321, SLH 1986, be extended for another three to five years so as to allow more time for a fuller and fairer assessment of this legislation. We further recommend that Act 321 be amended so as to leave the payroll function with the Department of Accounting and General Services instead of allowing it to be transferred to the University of Hawaii and the Department of Education.*

*2. The Department of Education and the University of Hawaii bring their payment of interest penalties on overdue vendor payments into conformity with the practice of the Department of Accounting and General Services regarding such interest penalties.*

*3. The Legislature scrutinize the Department of Education's request for implementation of the new financial management system from the standpoint of the system's compatibility with the educational reforms under consideration. If there is any uncertainty that the proposed financial system will fit and support the changes contemplated or even be necessary under the decentralized organization being considered, implementation should be deferred until the complete configuration of educational reform is settled.*

*4. The Department of Education halt its efforts to take over the payroll function and focus its resources on efforts aimed at improving the quality of education.*

*5. Act 320, SLH 1986, also be extended for another three to five years. However, if it is decided to extend this legislation, we further recommend that consideration be given to replacing the present requirement for prior executive approval for transfers between programs with a limit on all types of transfers beyond which executive approval would be required.*

*6. That another evaluation be conducted prior to the expiration of any extended periods to Acts 320 and 321. The evaluation should include further assessment of the administrative flexibility legislation as well as review of the development and implementation of a comprehensive and integrated approach to educational assessment within and between the University of Hawaii and the Department of Education.*

## Chapter 4

## ACCOUNTABILITY THROUGH EDUCATIONAL ASSESSMENT

In enacting Acts 320 and 321, the Legislature wanted to know what impact administrative flexibility has had on the education of students. Our previous reports found that it was too soon to determine what impact, if any, had occurred. Educational assessment was still in its formative stages at both the University of Hawaii (UH) and the Department of Education (DOE). We update our findings in this chapter.

### Summary of Findings

With regard to educational assessment in Hawaii, we find as follows:

1. Support for educational assessment has gained momentum at the University of Hawaii to the point that it has now been adopted as an official policy by the Board of Regents. At the operational level, a number of separate educational assessment efforts are under way, but the institution still lacks an integrated approach to educational assessment.

2. The Department of Education's assessment efforts have faltered. The School Performance Report Card has been further delayed. A separate assessment and accountability system developed by a consultant is deficient. Moreover, the Department of Education has not clarified the relationship between the consultant's system and the school report cards and how either or both will improve accountability for educational outcomes.

3. Only very limited attention has been given so far to the coordination and integration of assessment efforts between the higher and lower levels of education in Hawaii.

### Increased Momentum for Educational Assessment at UH

Since our first interim report on the administrative flexibility legislation in 1987, interest in and support for educational assessment have gathered considerable momentum at the UH--in fact, to the point where the Board of Regents at its January 1989 meeting adopted an official policy regarding educational assessment.

When we first started looking at educational assessment at the UH, we found that there were some assessment activities going on throughout the university system, but that these were widely scattered, uncoordinated, and poorly reported insofar as the central administration and the general public were concerned.

The Legislature during its 1987 legislative session passed House Concurrent Resolution No. 110 requesting the UH to develop and implement an educational assessment program. In response, the UH first sought to determine what assessment activities were already going on within the university system. A 1987 survey revealed that assessment and accountability activities varied not only from campus to campus, but also among academic units on a single campus and even among programs within a single academic unit.

A task force was then formed to develop a general policy and plan for educational assessment for the entire university system. Led by the university's Office of Planning and Policy, the task force consisted of administrators, faculty, and staff from UH-Manoa, UH-Hilo, the community colleges, and West Oahu College. Based upon the efforts of this group, the President of the UH has proposed and the Board of Regents has adopted an amendment on educational assessment to the Board of Regents' Bylaws and Policies. The new Section 5-6 provides in part as follows:

> "The University of Hawaii is committed to a process of educational assessment that provides evidence about the institution's effectiveness in meeting its goals and objectives. The assessment process is intended to ensure that:
>
> (1) The goals and objectives of each unit of the University reflect the unit's mission;
> (2) Planning is complemented by systematic monitoring of progress towards achieving planned objectives;
> (3) The collection of information about the achievement of objectives is an ongoing activity designed to maximize the use of existing data; and
> (4) The information collected is used to improve programs and services.
>
> "Educational assessment is focused on program and institutional performance rather than on individual evaluation. As such, it complements rather than substitutes for the evaluation of staff and employees, such as required by section 9-15 of Board policy, and the evaluation of student performance which is carried out as a regular part of the instructional process."[1]

University personnel believe that adopting this policy is compatible with the Legislature's intent in granting administrative flexibility--that "accountability shall not be sacrificed within the scheme of administrative flexibility."[2] In recommending the adoption of the policy, the President stated that it would serve a twofold purpose:

> "1) It establishes a positive internal environment for ongoing and new assessment activities, and it sends the message to the University community of the importance the governing board places on successful program and institutional performances.

"2) It sends a signal to the executive and legislative branches of government and the community that the University is committed by policy to an educational assessment effort. The University is committed to holding itself accountable for establishing clear goals, monitoring progress toward achieving these goals, and carrying out changes needed to improve programs and services."[3]

This action by the Board of Regents is very much in line with national trends on accountability through educational assessment. In a recent workshop, the Western Interstate Commission for Higher Education dealt with the relationship between assessment and accountability. In its "Challenge #9: Make Institutions and Systems Accountable for Results," the Commission stated:

"Assessment and accountability are related, in that both aim to enhance the quality of higher education; assessment is frequently the method used to achieve greater accountability. But they are also separate and distinct. Accountability starts at the state level as a public objective; it may work down to the level of institutions or even academic programs, but never to the level of students. Assessment, in contrast, starts with students and then can be applied to programs, institutions, or systems of public higher education. Accountability and assessment start at different levels and work in intersecting directions. Where assessment seeks to improve student learning and the learning environment, accountability addresses the relevance and effectiveness of education in meeting the most important needs of society."[4]

In summary, then, it may be said that educational assessment has been fully embraced at the highest policy levels within the UH after more than two and a half years of attention to this matter. The Board of Regents and the President are now officially on record as accepting and endorsing the concept and its applicability to the universitywide system. Of course, the real test of a policy is how well it is actually implemented within the organization. In the discussion which follows, we review what is actually happening at the operational level.

**Dispersed Nature of Educational Assessment Activities at the UH**

Summarized below are some of the more prominent educational assessment activities at the UH.

**Educational assessment in the community colleges.** For some time, the community colleges have been working on educational assessment programs--individually, on a systemwide basis, and in cooperation with the DOE. The passage of the administrative flexibility legislation has given added impetus to these efforts, expanding existing programs and instituting new assessment projects.

The community colleges do not have a centralized educational assessment program, but they are working toward the use of common testing instruments and measures. Currently, each college has its own placement testing, advanced placement, early admittance programs, and student counseling. However, the community colleges are about to institute a centralized tracking system that begins when students enter any one of the community colleges. If the tracking system performs as expected, it may be applied to the entire university system.

***Native Hawaiian Vocational Education Program.***[5] The Native Hawaiian Vocational Education Program is a pilot project which has the potential of providing among other things, data, survey information, and student status of students throughout the university system. At present, the program is focused on Native Hawaiian students and will be tried at two community colleges. Eventually, this cooperative venture of the Office of the State Director of Vocational Education, Alu Like, Inc., and the community college system will be extended to include all campuses in the UH system.

The purpose of this program is to assess "the needs of Native Hawaiian students, and to facilitate the development of programs and services which will better respond to the vocational and career development needs of those individuals." The common registration form will provide the base information for the tracking system which will eventually involve all students in the UH system. Data on Native Hawaiian students will be monitored, correlated, and analyzed with data on students of all other backgrounds as they move among colleges, schools, and programs within the UH system as well as when they leave the system.

By Fall 1990, all community college students will be part of this system. Eventually, the tracking system will be broadened to include all UH students since a majority of community college students enter UH-Manoa, UH-Hilo, and West Oahu College. Present plans call for this to occur soon after 1990.

***2 + 2 Program.***[6] Another assessment activity of the community colleges is the "2 + 2 Program" or "Credit by Articulation Program" developed in cooperation with the secondary schools in the State. For the secondary schools on Oahu a joint articulation agreement between the Board of Regents and the Board of Education was signed in 1988. It is an "advanced placement" program for students who opt to go into vocational programs in the community colleges. The "tech-prep/ associate degree" programs are developed and implemented jointly between a community college and nearby public and private high schools so that students may pursue a college education without duplication of time, effort, or expense. Under these programs, high school juniors enroll in high school courses that will provide the necessary background for entry and retention in one of the community college's vocational programs. Based upon

agreements between the two levels of education, the students who successfully complete designated vocational courses may earn college credits while in high school. One of the objectives of the program is to enable students with "advanced placement" credits to enroll in courses beyond the introductory level when they enter community college.

Kauai Community College and Waimea High School are working to implement such a program in electronics technology. Maui Community College has a food service program with Baldwin High School and Lahainaluna High School; Maui High School and St. Anthony High School will soon be included in it. On Oahu, agreements for business education programs between the community colleges and the high schools have recently been completed.

For these programs to be successful, they will have to be closely monitored and assessed. Such assessment is built into the programs.

***Kauai Community College Leavers and Graduates Survey.***[7] In the summer of 1988, Kauai Community College conducted a survey of its Fall 1986 "leavers" (247 students who left the college before program completion) and its 1986-87 graduates (350 students). The response rate was 30 percent for the leavers and 35 percent for the graduates. Some key findings of this survey were:

- Generally, graduates and leavers are quite satisfied with the overall quality of the college--86 percent rated it either as excellent or good; none rated it as poor.
- Both graduates and leavers maintained heavy work schedules while students--52 percent of them worked more than half-time.
- Most leavers are not "dropouts." Most would be better termed as "stopouts." Some 70 percent of the leavers plan to re-enroll in that college or another college--22 percent are already enrolled in another college.
- 73 percent of the graduates plan to complete degrees at the bachelor's or higher level.
- Graduates tend to earn more than leavers--6 percent of the graduates versus 28 percent of the leavers earn less than $5 per hour; 37 percent of the graduates versus 13 percent of the leavers earn more than $9 per hour.

This pilot project focused on general satisfaction rates. A survey of all leavers/graduates of the entire community college system is scheduled to be conducted in Fall 1989. The insights thus gained from recent leavers as well as graduates will assist the various campuses in making decisions on improvements and additions to programs. Hence, the community colleges are beginning to look at output as a performance measure.

**UH-Manoa Senior Survey.**[8] In Spring 1988, the Office of Planning and Policy conducted a first-time survey of 1,239 UH-Manoa graduating seniors. Forty percent, or 501, of the seniors

responded to the survey. According to UH sources, this survey represents one of many educational assessment instruments that will be used to determine the quality of the educational experience of students at UH-Manoa. Plans call for such a survey to be conducted in alternate years with a UH-Manoa alumni survey.

This survey showed that while the majority of respondents lived off-campus and were employed at least half-time, they perceived their undergraduate experience to have been "beneficial to both their intellectual and personal growth." The four most important gains reported were:

- Life enriching skills and attitudes;
- Increased academic knowledge;
- Independence, self-reliance, and adaptability; and
- Preparation for a job.

Generally, the survey respondents were satisfied with their academic experience, especially the "quality of instruction to improve critical thinking." On the other hand, "math instruction and printed information about programs of study" were reported as areas needing further improvement.

This initial effort to gather information about the "institution's effectiveness in meeting its goals and objectives" represents a start by the UH's largest unit to find out what its students think of it. The key question, however, is whether this information will be used to make improvements--such as in the area of math instruction where "more than two-thirds of the respondents perceived [the instruction] as fair, poor, or of little importance in their college education." Surveys are good instruments for indicating areas of strength and weakness. The test of their usefulness, though, is whether their results have any influence on decision making.

**UH-Manoa's Senior Thesis Handbook Project.**[9] The Department of Communications at UH-Manoa has developed a handbook on writing the senior thesis. This handbook is to (1) serve as a guide for faculty, graduate assistants, and undergraduate students in Communications 490, and (2) provide document preparation software to assist in completing the senior thesis. According to the department, the "Senior Thesis is a required capstone experience in our revised curriculum and is designed to provide the opportunity for our students to selectively relate their general learning in the field and specific learning in their areas of concentration to their own professional and personal interests." The Department of Communications is following the example of a number of colleges and universities which have established a required senior thesis as a means of assessing what students have learned and how well they are able to utilize the knowledge gained. However, this is far from being a uniform requirement at UH-Manoa.

**Unified, coordinated approach still lacking.** From the foregoing, it can be seen that a number of educational assessment activities are under way within the UH. However, UH still lacks a unified, coordinated approach to educational assessment. Among the UH units, the community colleges have made the most progress in terms of working together, not only among themselves but also with the secondary schools. Yet, even they have just begun to scratch the surface. There are still no plans for more widespread dissemination of information about how they are performing and what they are doing to improve performance. No system is in place whereby the overall performance of the UH and its major components can be identified and highlighted. It is still virtually impossible for executive officials, legislators, or the general public to get a real handle on what the UH is doing and how well it is performing.

Now that the Board of Regents has adopted a policy on educational assessment and resources are beginning to be allocated to this area of activity, the UH may soon begin to develop a comprehensive and integrated approach to educational assessment. However, this desired result will require concerted and strenuous effort on the part of all affected parties within the university system.

**Continuing Delay for the DOE's "School Performance Report Card"**

In 1986, at the urging of the Board of Education (BOE), the DOE developed a proposal called the "BOE Monitoring System." The system was expected to enable BOE members to judge the quality of schools and the school system and to motivate principals to set high goals and manage their resources effectively. However, the BOE deferred action on the monitoring system in order to gain input from each district School Advisory Council. Thus, it was not until July 8, 1987, and after the proposed system had undergone seven revisions, that the BOE unanimously accepted what was then renamed the "School Performance Report Card."

Under this system, the district superintendents would be responsible for preparing the report card for the individual schools within their respective districts. The report card would consist of: (1) quality ratings of pupil progress and administrative practices that research had linked with effective schools; (2) a school improvement plan; and (3) a year-end report of results. In our second interim report, we reported that the baseline would be the 1983-84 school year, and that changes would be measured from then to the 1987-88 school year. Therefore, the first set of ratings was expected to be available in the fall of 1988.

Although the data had been collected from the schools, we find that the expected ratings were not completed and distributed. Instead, the BOE has decided to allow the Superintendent of Education to delay the full implementation of the report card for another year.

This decision resulted from concerns raised by some principals about certain aspects of the report card. The principals questioned the validity of the data collected. For example, one of the indices to measure student behavior is the average daily attendance. At schools where attendance taking has been computerized, it is easier to keep track of students throughout the day. The principals felt that the data collected from these schools would be more accurate than the data collected from schools where attendance is checked manually only twice daily. They feared that such disparate reporting would produce uneven and misleading information.

The principals objected to the data for the "percent of the student enrollment practicing lawful behavior." DOE has defined "lawful behavior" as the non-occurrence of the most serious offenses during the current year--Class A and Class B offenses delineated in Chapter 19 of the DOE's administrative rules. Some of the principals felt that the data collected did not fairly represent student behavior at their schools. For instance, acts of vandalism at a school are "charged" to that school in the proposed report card, including acts that may have occurred during non-school hours. Therefore, a high incidence of such acts would lower the school's ranking. But since school personnel would not be able to control these acts, they felt that such data should not be a measure of student behavior.

While some of the concerns raised about the school report card appear to be legitimate, continued delays faced by this project raise the question whether the school report card will ever be in place. DOE administrators steadfastly maintain that the implementation of the school report card continues to be assigned high priority. The Superintendent has convened a task force to review the problem areas, make recommendations, and complete all modifications to the system so that the school report card can be implemented in the 1989-90 school year. However, we note that it has been over two years since the report card project was first proposed.

It should be noted further that the use of school report cards to fulfill the public's right to know is not limited to Hawaii. For instance, California has developed a "state report card" that provides performance assessments from the state education department to each of the state's schools, and Illinois also has issued annual school report cards on every one of its nearly 4,000 public schools.[10]

DOE's report cards should communicate to the public the effort and progress being made by each school in its improvement process. The necessity of the report card is also underscored by the recently released Berman report on educational reform, *The Hawaii Plan, Educational Excellence for the Pacific Area*, which states:

> "...to act responsibly, parents will need information about programs, conditions, and student performance at the school. The DOE has started school performance report cards which should be encouraged and fully implemented and which should include information of importance to parents."

Parents, teachers, administrators, and the public in general should have the kinds of information the report card can provide.

We therefore urge the DOE to accelerate its efforts to fully implement an accountability instrument. Continued delay of the project is sure to undermine confidence in the reporting system and official commitment to it. It must be understood and accepted by all involved that increased DOE flexibility should not be allowed without adequate provisions being made to ensure accountability. The implementation of the report card would be a first step in establishing a useful accountability system.

**Inadequate Educational Assessment and Accountability Plan**

In our 1988 interim report, we recommended that the DOE develop a plan for the assessment of the lower education program in Hawaii and of interrelationships between programs of higher and lower education. We stated that such a plan should describe the nature and scope of the assessments to be made and should include projected costs and timetables. The DOE contracted with the Northwest Regional Educational Laboratory "to design and make initial plans for an educational assessment and accountability system that will also be an important management tool to bring about school improvement."[11]

Under the direction of the Planning and Evaluation Branch of the DOE, the consultant developed the "Educational Assessment and Accountability Plan" which was presented to the BOE on December 15, 1988. The plan is currently pending further review and recommendation by the Superintendent.

Our preliminary assessment of this recently available plan concludes that it fails to provide for valid assessment and accountability. We think that the deficiencies are serious enough to indicate that the proposed system will not be able to satisfy Hawaii's aspirations for educational improvement and public accountability.

**Failure to provide for analysis.** One of the most critical components of an effective assessment and accountability system is analysis. By analysis, we mean a systematic examination of the objectives of a program, the alternatives to attain those objectives, the selection of a preferred alternative, and evaluation of the alternative selected. We find that the consultant's

plan proposes a system which does not provide for adequate analysis. The proposed system focuses on the compilation and standardization of existing data and is intended to produce reports which appear to be based on statistics rather than any hard analysis.

For example, a review of the simulated samples of the two types of reports expected to be produced by the system suggests that the reports will just be a repackaging of existing data. While a comprehensive compilation of information about the various aspects of education in Hawaii is certainly desirable, statistical information, in and of itself, is not sufficient to provide policymakers with the type of management information needed for effective decision making.

A paper presented by the Education Commission of the States, National Conference of State Legislatures, states that generally, accountability issues center on the following:

| | |
|---|---|
| Efficiency | -- Is the program cost effective? |
| Equity | -- Do all those who need the program receive it? |
| Excellence | -- Do those in the program perform well? Do they achieve the standards that have been set? |
| Effectiveness | -- How well does the program do what it is intended to do? |
| Outcomes | -- What is being produced?[12] |

Clearly, some of these questions cannot be answered without some critical use of the data collected. The plan does not go far enough in linking assessment, analysis, and accountability so as to provide a firm foundation for decision making and action. Instead, the plan only proposes the establishment of a historical/statistical information system or data base upon which an assessment and accountability system might be built. Moreover, the relationship of this plan with the school report card is not clear.

**No specification of project costs.** When we recommended that the DOE develop an assessment plan for submission to the 1989 legislative session, we specifically stated that project costs should be included in the plan. However, we find that the plan does not specify project costs.

In proposing such a system, the plan should properly identify the cost components of the system. Instead, under the section on implementation phases, the plan merely lists the following as major cost items for the implementation of Phase 1:

**Staffing needs for the DOE Office of Evaluation, Assessment and Accountability Unit:**

One new evaluation specialist II position
One reassigned evaluation specialist II position
One new clerk/typist II position

**Equipment needs:**

One Class 386 personal computer (PC) with a 200-megabyte hard disk
One 2400-baud modem
One heavy-duty, high quality printer
Related small peripheral equipment

Also identified but not clearly specified are in-kind costs of district personnel, equipment, and training expenses assumed to be covered by other systems, and additional equipment expenses to meet anticipated increases in system demands. However, not only must the initial, start-up costs be identified but also the recurring costs of operating, supporting, and maintaining the system, including the costs for personnel salaries and wages, employee fringe benefits, supplies, materials, equipment, and transportation.

We find the absence of any cost estimates in the plan to be particularly disturbing since one of the purposes of the proposed system is to provide information for public accountability. Without such figures, neither the public nor decision makers are able to determine the total amount of resources being allocated to the system. As there are other systems and programs competing for the same resources, policymakers must have some idea of the total cost of the proposed system before they make a commitment to the plan.

**Inadequate justification for reorganization.** The plan recommends the establishment of an assessment and accountability unit within the Evaluation Section of the Planning and Evaluation Branch.[13] The unit is to be staffed by three positions, two of which would have the responsibility for developing and operating the proposed educational assessment system, as well as for providing training to and coordinating the activities of district level personnel. The plan proposes the reassignment of one position from the Evaluation Section and the creation of two positions as listed in the previous section.

The justification given for the reorganization of the Planning and Evaluation Branch to establish this new unit is that the unit would: (1) constitute the "hub" of assessment activity; (2) provide overall design and coordination services; and (3) be a major source of information for the Superintendent and his staff. While these arguments are not totally without merit, we find that they alone do not adequately justify the need for reorganization.

The plan itself fails to articulate the need for a special unit and the scope of its authority. The plan does not acknowledge other personnel involved in assessment, such as the educational specialist for the Foundation Program Assessment and Information System. The plan proposes that the educational assessment system be developed, implemented, managed, and coordinated by two educational specialists II in the unit. But the plan further states that the two professionals should be skilled in the development of data base applications for desk top personal computers and that one should have a good grasp of the principles of mainframe operation--skills which data processing personnel are more likely to possess.

The plan also indicates that the educational specialists should be able to train district personnel. However, the plan does not identify what district personnel will be involved or what their roles and responsibilities will be. As a result, it is impossible to know what sort of training the educational specialists will be expected to provide. Indeed, it is not even clear who should be providing the necessary leadership in coordinating the efforts of technical and specialized personnel involved in the plan--the branch chief, the section head, or someone else.

What is evident is that the proposal to create an assessment and accountability unit and place it within the Evaluation Section has been poorly conceived and planned. No thought appears to have been given to such considerations as the ability of the present organization to provide adequate resources to implement the new system; a clear delineation of the management processes, including the coordination necessary for DOE to operate the new system efficiently; and an adequate definition of workload capabilities and needs.

**Summary.** While the DOE's efforts to develop an educational assessment and accountability system should be encouraged, the current proposal for such a system suffers from such serious flaws that it should not be pursued further unless drastically overhauled and improved. The plan does not offer a system design that will provide educators and policymakers with the types of information they need to make sound decisions and to be accountable to the general public. Instead, the plan proposes the establishment of a system which focuses on building a data base suitable perhaps for carrying out research and development activities but not sufficient to provide a meaningful assessment and accountability program for public education in Hawaii. It would merely add costs.

### Limited Attention to Inter-Agency Coordination of Educational Assessment

We indicated earlier in this chapter that some coordination is taking place between the UH and DOE on educational assessment. This is occurring mainly between the community colleges

and the secondary schools. Some additional cooperation is also being shown between UH-Manoa's College of Education and the DOE, particularly in the area of teacher training. All of these efforts are worthwhile and should be encouraged.

However, overall cooperation and coordination between higher and lower education in Hawaii is still receiving very limited attention. As noted in our two previous interim reports, this is true despite the fact that Hawaii is in the unique position of having highly centralized systems for both higher and lower education; all public institutions of higher education are part of the UH system and all public primary and secondary schools fall under the jurisdiction of the DOE.

With the task of higher education being profoundly influenced by what takes place within lower education, with the success of lower education being indicated to a great extent by how well students are able to perform in college (including vocational programs), and with educational reform efforts calling for increased integration between higher and lower education, the time appears very appropriate for the UH and DOE to move vigorously to mesh their educational assessment efforts.

***Recommendations***

*With regard to educational assessment and accountability in Hawaii, we recommend as follows:*

*1. The University of Hawaii should move as expeditiously as possible to implement the educational assessment policy recently adopted by the Board of Regents and to put into operation a comprehensive and integrated educational assessment program for the entire university system.*

*2. The Board of Education and the Department of Education should make every effort to implement as promptly as possible the School Performance Report Card system.*

*3. The Department of Education should not implement in its present form the Educational Assessment and Accountability Plan submitted to it by its consultant. Instead, it should seek the development of a system that will more adequately serve the needs of educational assessment and accountability in Hawaii.*

*4. The University of Hawaii and the Department of Education should work together to determine areas of mutual interest and concern regarding educational assessment and to develop a cooperative and coordinated approach to meeting educational assessment needs in both higher and lower education.*

*5. The Legislature should request the two educational agencies to submit to the 1990 legislative session the plans they have developed and the implementation steps they have taken on educational assessment within each agency and between the two agencies.*

*6. In its consideration of legislation extending administrative flexibility for the two educational agencies beyond the present expiration date of June 30, 1989, the Legislature should include progress toward achieving meaningful educational assessment as one basis for deciding on the new period of administrative flexibility.*

## NOTES

### Chapter 1

1. Act 320, Session Laws of Hawaii 1986 (Senate Bill 1780-86, S.D.2, H.D.2, Thirteenth Legislature, 1986, State of Hawaii).

### Chapter 2

1. Hawaii, Legislative Auditor, *Second Interim Report: Evaluation of the Administrative Flexibility Legislation Affecting the Department of Education and the University of Hawaii, Acts 320 and 321, SLH 1986*, pp. 34-35.

### Chapter 3

1. Hawaii, Legislative Auditor, *Second Interim Report: Evaluation of the Administrative Flexibility Legislation Affecting the Department of Education and the University of Hawaii, Acts 320 and 321, SLH 1986*, Chapter 2, pp. 7-24.

2. University of Hawaii, Office of Budget, "Annual Report on Transfers," 1988.

3. *Ibid.*

### Chapter 4

1. "Proposed Amendments to Board of Regents Bylaws and Policies on Assessment," memorandum from Albert J. Simone, President to Gladys Brandt, Chairman, Board of Regents, University of Hawaii, December 2, 1988. (Adopted, January 20, 1989.)

2. House Standing Committee Report 826-86 on Senate Bill 2127-86, S.D.1, H.D.1, (Act 321), Thirteenth Legislature, 1986, State of Hawaii.

3. "Proposed Amendments to Board of Regents Bylaws and Policies on Assessment," memorandum from Albert J. Simone, President to Gladys Brandt, Chairman, Board of Regents, University of Hawaii, December 2, 1988. (Adopted, January 20, 1989.)

4. Western Interstate Commission for Higher Education Information Clearinghouse, "*Reform and Renewal: Challenges to Undergraduate Education in the West*," prepared for the WICHE Regional Policy Workshop, November 10-12, 1988, San Diego, California.

5. University of Hawaii Community Colleges, Office of the Chancellor, "*Native Hawaiiian Community Council Advisory Council, Final Report*," Honolulu, Spring 1988.

6. Kauai Community College/Waimea High School, "*2+2 Proposal*", Kauai, June 1987.

   University of Hawaii-Community Colleges and Department of Education, Proposed "Credit-by-Articulation Program, Policies and Procedures Manual," December 1988.

7. David Cleveland, Honolulu Community College, "*1986/87 Kauai Community College Graduates and Leavers - a Year Later, Did They Get What They Came For?*," Fall 1988.

8. University of Hawaii, Office of Planning and Policy, "*University of Hawaii at Manoa, Survey of Graduating Seniors, Spring 1988*, November 1988.

9. University of Hawaii, Department of Communication, "*Senior Thesis Handbook Project, Final Report*, Honolulu, October 24, 1988.

10. William J. Bennet, U.S. Secretary of Education, "American Education: Making It Work", April 1988, Washington, D.C.

11. Progress Report, November 16, 1988, Educational Assessment and Accountability Project.

12. Education Commission of the States, National Conference of State Legislatures, "10 Questions Legislators Ask About Education Reform," Denver, Colorado, 1988.

13. DOE's Planning and Evaluation Branch presently consists of four sections: Planning, Special Programs Management, Evaluation, and Test Development.